Washington University in St. Louis
OLIN BUSINESS SCHOOL

Global Masters of Finance (GMF)
2023–2024 Academic Year

November 2023 (subject to change)

<table>
<tr><th colspan="2">Global Master of Finance</th></tr>
<tr><td colspan="2">Preprogram Foundations Requirements
Preparatory work begins in May, is in addition to required credits, and does not affect GPA.
ACCT 560 Introduction to Accounting
FIN 510 Introduction to Finance</td></tr>
<tr><th colspan="2">Summer Semester 1 (6 Credits)</th></tr>
<tr><td>FIN 524 Options & Futures (1.5)
FIN 532 Investment Theory (1.5)</td><td>FIN 524B Derivate Securities (1.5)
FIN 534 Advanced Corporate Finance I – Valuation (1.5)</td></tr>
<tr><th colspan="2">Complete coursework at partner school</th></tr>
<tr><th colspan="2">Immersion Schedule (6 Credits)</th></tr>
<tr><th>Washington, DC</th><th>New York City</th></tr>
<tr><td>FIN 500T Financial Markets – Regulations (3)</td><td>FIN 500U Financial Markets – Institutions (3)</td></tr>
<tr><th colspan="2">Summer Semester 2 (12 credits)</th></tr>
<tr><td>FIN 500Y Private Equity Methods (1.5)
FIN 530 International Finance (1.5)
FIN 534B Advanced Corporate Finance II – Financing (1.5)
FIN 534C Advanced Corporate Finance III – Corporate Financial Strategy (1.5)</td><td>FIN 523B Mergers & Acquisitions (1.5)
FIN 532B Data Analysis for Investments (1.5)
FIN 533 Valuing Strategic Corporate Investments (1.5)
FIN 555 Risk Management & Insurance (1.5)</td></tr>
<tr><th colspan="2">Complete any remaining coursework abroad toward your other degree</th></tr>
<tr><th colspan="2">Total (24 credits + 6 shared from other degree = 30 total)</th></tr>
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Summer courses are typically completed in two-week segments, with courses meeting three times per week. Immersion courses are sequential, weeklong intensive courses that meet on location for full days of content.

Global Master of Finance (GMF) Course Descriptions

Summer Semester 1 (6 Credits)

ACCT 560 Introduction to Accounting

In this course we will study the three fundamental financial accounting issues, including (1) recognition, (2) measurement/valuation, and (3) classification/disclosure and consider how business transactions are reflected on the financial statements using generally accepted accounting principles (GAAP). We will cover the four primary financial statements (balance sheet, income statement, statement of stockholders' equity, and statement of cash flows), the supporting footnotes to these statements, and several reports (annual reports, proxy statements, and press releases). The course incorporates both a preparer's perspective (i.e., GAAP requirements for recording and presenting financial information) and a user's perspective (i.e., how an investor or analyst can interpret and use financial statement information). Course Goal: Prepare students for advanced coursework in accounting and finance classes.

FIN 510 Introduction to Finance

The main topics to be covered in this course are (1) principles of investments, (2) financial analysis of corporate projects, (3) cost of capital, and (4) capital structure and financing policies. The objective of the company is assumed to be shareholder value maximization. Shareholder value is created by earning more than the cost of capital. The cost of capital is an opportunity cost - what investors could expect to earn on comparable investments in the financial markets. To understand the cost of capital, we need to understand the viewpoint of investors. Furthermore, to understand whether a project earns more than the cost of capital, we need to know how to estimate and discount project cash flows. So, the first three topics are closely connected. The main question in the fourth topic is whether we can create shareholder value through the financial structure of the firm. For example, we will ask whether we can lower the cost of capital by financing with debt instead of equity, or vice versa. Course Goal: Prepare students for advanced coursework in finance.

FIN 524 Options & Futures

Focuses on futures with an introduction to options. Discusses forward and futures pricing, and the use of various futures contracts to hedge commodity price risk, interest risk, currency risk, stock portfolio risk, and other risk exposures. 1.5 credits.

FIN 524B Derivative Securities

Provides an in-depth analysis of valuation and trading strategies for options and other derivative securities which have applications across areas of finance such as hedging, swaps, convertible claims, mortgage payments, index arbitrage, insurance, capital budgeting and corporate decision making, and are responsible for many new innovations and developments of the financial markets. Prerequisite: FIN 524. 1.5 credits.

FIN 532 Investment Theory

This course covers the theory of risk and return in capital markets. Topics covered include the CAPM and factor models of asset pricing, measures of mutual fund performance evaluation, interest rates and fixed income securities. 1.5 credits.

FIN 534 Advanced Corporate Finance I – Valuation

This course considers issues faced by corporate financial managers with respect to the valuation of projects, divisions, and entire companies. The prime focus is on assessing the profitability of different business alternatives in a forward-looking sense. The impact of financing decisions on the valuation of business alternatives is explicitly considered. Also covered is an introduction to measuring the role of flexibility inherent in business alternatives. The course is "hands-on" and heavily focuses on direct applications of the theory and the individual development of spreadsheet modeling skills. 1.5credits.

Immersion (6 Credits)

FIN 500T Financial Markets - Intuitions

Examination of major financial institutions and markets in which they participate. Key institutions include corporate and investment banking, hedge funds, private equity firms, venture capital firms, fund management, and private wealth management. Markets covered include stocks and bonds, forex trading, and derivatives. Lectures by instructor set the stage for talks by practitioners in these institutions and markets. Emphasis placed on current trends and future prospects in each institutional area and markets in which they participate, and how these relate to the global economy, especially in context of global financial crises. Prerequisite: Global Master of Finance students only. 1.5 credits.

FIN 500U Financial Markets - Regulations

Examination of regulation of United States financial markets. Key institutions and actors involved in regulation are covered including Federal Reserve, Department of the Treasury, Securities and Exchange Commission (SEC), and others, as well as United States Senate Committee on Finance and House of Representatives Committee on Financial Services, along with regulatory lawyers. Lectures by instructor set the stage for talks by officials in these institutions. We collaborate with the Brookings Institution in setting up lectures and will have site visits to some institutions. Course emphasizes theory and practice of regulation, and this is placed into context of contemporary financial system and challenges which exist to regulate it effectively, especially relative to global financial crises. Prerequisite: Global Master of Finance students only. 1.5 credits.

Summer 2 (12 Credits)

FIN 500Y Private Equity Methods

This course will provide the student with an understanding of the basic terminology, due diligence and analytical methodologies critical to evaluating Private Equity investments. The course will also cover the history of Private Equity and the different roles of Private Equity - growth capital, LBO/MBO, Roll-Up, etc. in the evolution of the firm. Private Equity funds in the context of the overall market (strategic vs. financial acquirers) will be discussed as will be the role of leveraged lending and bank financing of financial sponsors. Private Equity as an investment and its role in portfolio construction will be analyzed. Finally, the legal structure of Private Equity funds in the context of firm control and governance will be reviewed. 1.5 credits.

FIN 523B Mergers & Acquisitions

The course will provide an in depth view of the theory and empirical regularities of various corporate control transactions. Specifically, we will discuss valuation of target firms, possible sources of value creation, various motives for mergers, tax consequences of mergers, legal issues in merges, financing an acquisition, defensive tactics in hostile takeovers, going-private transactions and bidding behavior of acquirers. The method of instruction is a mix of lecture and case analysis. Prerequisite: FIN 534. 1.5 credits.

FIN 530 International Finance

Measuring and hedging exposures to exchange rate fluctuations is a central topic of this course. The relationships among spot and forward exchange rates, interest rates, and inflation rates are described. Additional topics include capital budgeting for international projects, international capital markets, and international portfolio diversification. 1.5 credits.

FIN 532B Data Analysis for Investments

The objective of this course is to obtain an in-depth understanding of some of the major empirical issues in investments. Based on recent research articles and cases, students are required to learn the facts, theories and the associated statistical tools to analyze financial data. The topics for this course include models of stock returns, Bayesian and shrinkage estimations for expected returns and covariances, multifactor asset pricing models, GARCH models, principal components, asset allocation, stock screening, predictability, performance evaluation, anomalies, limits to arbitrage and behavioral finance. Prerequisite: FIN 532. 1.5 credits.

FIN 533 Valuing Strategic Corporate Investments

This is an applied course in capital budgeting under uncertainty and flexibility. Traditional NPV analysis assumes that corporate investments are "now or never" and that they are irreversible. However, most corporate projects have a great deal of flexibility in their timing, scale, etc. Our goal is to develop more advanced capital budgeting skills so that the student may attack real-world corporate investment decisions in a sophisticated way. There are five learning objectives: 1) Identification of optionality in corporate investments. Before we can apply option pricing theory to corporate decisions, we must be able to correctly characterize the optionality inherent in the projects we are considering. 2) Choosing the proper model for the analysis. The decision-maker's goal is to get the best possible approximation of the value of an opportunity given the constraints of time, cost, and information. Structured and carefully-defined problems allow for more precision. 3) Handling risk in the proper way through risk-neutral pricing. As we will demonstrate, the use of a risk-adjusted discount rate is not appropriate when valuing assets with "optionality." We must proceed by risk-neutral valuation. 4) Understanding and handling the convenience yield issue. This is perhaps the most difficult issue to grasp, but it is vitally important to a sophisticated analysis. We must adjust our problem for the "convenience yield" or "rate of return shortfall" of an asset whenever there is an "early exercise" feature. 5) Clear presentation of analysis and results. The ability to construct a sophisticated capital-budgeting model is irrelevant if its structure and results cannot be communicated in a clear and convincing fashion. This is particularly important for real-option valuation, as most managers do not understand the issues of risk-neutralization and convenience yield. Furthermore, there are many that are skeptical of the assumptions required for a contingent-claims analysis. Their critiques must be addressed. 1.5 credits.

FIN 534B Advanced Corporate Finance II – Financing

The purpose of this course is to provide an understanding of the financing decisions made by corporations. While ACF I focused on firms' investment decisions, this course focuses on how firms fund those investments, how they raise capital, and how they return capital to investors. By the end of the course, you should be able to articulate how a variety of market frictions, including taxes, financial distress costs, asymmetric information, and agency conflicts, affect firms' financing decisions, and how these financing decisions interact with investment decisions. The course content is designed to balance theories, computations, and applications through a combination of lectures, case discussions, and practice problems. Prerequisite: FIN 534. 1.5 credits.

FIN 534C Advanced Corporate Finance III – Corporate Financial Strategy

The course addresses advanced valuation topics, and applies both theory and practical valuation methods to value real world companies-instead of cases studies. You will be valuing foreign and U.S. companies in various industries such banking, industrials, mining, and information technology. This course assumes that you have basic valuation knowledge and exposes you to the complexities involved in performing real-world valuations, and the myriad of issues that practitioners must address. Prerequisite: FIN 534. 1.5 credits.

FIN 555 Risk Management & Insurance

This course will provide an introduction to risk management and insurance. We will explore enterprise risk management broadly and understand what risk is, and how risk can be managed and or mitigated. We will understand the different kinds of risk and the difference between insurance and hedging. We will study the various insurance markets and the basics of how they operate. We will especially focus on the issues of risk management and insurance from an insurance issuer's perspective and from a corporate risk manager's perspective. We will also review the insurance operations of Berkshire Hathaway to understand the operations of a diversified insurance company and of Allstate Corporation and State Farm Insurance as we review the basics of auto and homeowners insurance respectively. 1.5 credits.